

3.0 TRUST ASSET MANAGEMENT POLICY ALTERNATIVES

3.1 INTRODUCTION

This chapter analyzes the alternatives and specific environmental impacts of the department's trust asset management policies.

The policies were selected after the department considered numerous alternatives and examined the environmental consequences of each option. The following paragraphs describe the preferred policy, analyze the alternative(s) and why they were not selected by the department, and assess the environmental impacts of the specific policies under consideration.

The policies are arranged in the same order as they appear in the Forest Resource Plan. The preferred policy appears in bold face type.

3.2 DISCUSSION OF GENERAL MANAGEMENT POLICY ALTERNATIVES

Policy No. 1: Federal Grant Land Base

The preferred policy states:

The department will maintain a diversified base of Federal Grant lands, including nonforest properties. In deciding whether to sell, exchange or acquire lands, the department will balance current economic returns and trust benefits with future economic returns and trust benefits.

Two other alternatives were considered by the department.

Alternative 1: The department will perpetuate the Federal Grant land base by replacing low-quality, low-income producing assets with high-quality, high-income producing assets.

Alternative 2, the no-policy option, would allow the department to continue exchanging, selling or trading land without establishing clearly-defined policies and priorities and without setting department-wide criteria. In the absence of a policy, the department would proceed without direction from the Board of Natural Resources.

Background

The department manages approximately 1.463 million acres of Federal Grant lands. In the past decade, the department has sold, acquired or exchanged numerous Federal Grant lands to consolidate its holdings and obtain more productive properties.

The department expects this trend to continue and has developed a policy that addresses when and where it is appropriate for the department to sell, acquire or exchange new properties. There is no existing policy on the subject.

Comparison of Alternatives and Environmental Impacts

On Federal Grant lands, the department's **preferred policy** is to consolidate ownership blocks, obtain productive properties and avoid entering into land acquisitions, exchanges and sales on Federal Grant lands that reduce the department's ability to produce long-term, stable income to the trusts. The department may trade forest land for nonforest properties under this policy option if the trade satisfies the above criteria. The department believes the **preferred policy** will allow it (to the extent allowed by its trust responsibilities) to consider a range of public benefits, including recreation, when considering which properties to sell or exchange.

In contrast, Alternative 1 directs the department to focus its land exchange program on low productivity lands by replacing them with high productivity land. Under this policy, the department would attempt to sell or exchange property when it would increase long-term, intensive forest production, regardless of other public benefits (such as recreation or wildlife habitat). The department prefers a broader and more flexible policy that considers the range of existing and potential benefits to the trusts. Alternative 1 also has at least one practical disadvantage: the low-quality sites may be difficult to sell, and the department may find this alternative difficult to implement. Alternative 1 would establish a strict standard of selling low-quality properties in exchange for high-quality properties. The policy would require a uniform, statewide economic assessment but would not require the department to consider other public benefits in deciding whether to sell, trade or acquire public lands.

Alternative 2, the no-policy option, would continue the status quo, which means the department would not formulate a coherent policy standard by which trades or sales are evaluated. By not setting a standard, the no-policy option would allow the department to acquire some lands with undesirable characteristics (such as poor soils or rough or steep terrain) that require extraordinary measures and costs to maintain as productive forest land.

Neither the **preferred policy** nor the alternatives will have a significant adverse impact on the physical environment. Of all the options, Alternative 2 would probably impact the environment the most because the department could acquire lands that need substantial site preparation (such as herbicides) to make them productive or additional roads to make them accessible.

Policy No. 2: Forest Board Land Base

The preferred policy states:

The department will perpetuate a productive forest base of Forest Board lands. In deciding whether to exchange lands, the department will assess whether timber harvesting is impractical on these properties and, if so, will attempt to replace them with productive forest lands.

Two alternatives were considered:

Alternative 1: The department will only exchange Forest Board land for land of comparable acreage. It will not consider the productive aspects or other constraints of the land involved.

Alternative 2, the no-policy option, would allow the department to develop a policy on an ad hoc basis without seeking guidance from the Board of Natural Resources.

Background

The department manages approximately 607,000 acres of Forest Board land. State statute requires the department to perpetuate the forest land base; Forest Board land cannot be sold, though it can be exchanged (traded). Because many Forest Board lands are near growing population centers, the department must decide when and where to keep this acreage and under what circumstances it will attempt to obtain alternative properties for timber production. In some instances, the department may retain Forest Board land near developing areas to manage them in ways that address both growth management and timber production needs. There is no existing policy on the subject.

Comparison of Alternatives and Environmental Impacts

The **preferred policy** calls for the department to exchange land where harvesting is impractical due to regulatory constraints and acquire productive timber land in its place. It is the most flexible of the policy alternatives that still complies with the statute regarding Forest Board lands.

Alternative 1 would restrict the department's efforts by requiring it to acquire only lands of comparable acreage but not comparable productivity.

Alternative 2, the no-policy option, would allow the department to change land acquisition standards for Forest Board properties during the life of the plan without seeking Board of Natural Resources approval. The department would not develop a coherent, statewide policy for Forest Board exchanges.

The exchange of lands does not in itself create significant adverse environmental impacts. The department analyzes each exchange for economic repercussions. All relevant factors are evaluated by the department prior to submitting the exchange to the Board of Natural Resources for approval.

Of the above options, Alternatives 1 and 2 would likely have the most environmental impacts because they allow the department to acquire lands that may need a substantial amount of reforestation to make them productive or additional roads to make the property accessible. The **preferred policy**, in contrast, requires the department to maintain a productive forest base and obtain more productive properties in place of ones where harvesting is impractical.

Policy No. 3: Land Classifications

The preferred policy states:

The department intends to designate those lands and timber resources that are unavailable for harvest as "off base." All deferrals will be included in this category.

Two other alternatives were considered by the department.

Alternative 1: The department will consider all lands and appropriate timber resources to be "on base" until they are directly impacted and will then designate them as off base, with the exception of low-elevation sites and subalpine lands, which are considered off base. Deferrals generally are not removed from the on-base category. (current policy)

Alternative 2, the no-policy option, would allow the department to include deferrals in the current harvest base and make an ad hoc decision whether it should remove those deferrals from the base or not. There would not be a consistent statewide policy on deferrals; the decision would rest with division or regional managers.

Background

The department currently classifies its forest land into two general categories: "on base" and "off base." On-base lands are included in long-range timber harvest plans (approximately 1.9 million acres). Off base areas are those forested lands that are not used in the calculation of the department's sustainable harvest (approximately 200,000 acres). Deferred lands are those properties that are postponed or deferred from harvest for any number of reasons, including economic, environmental, etc. The department may reclassify lands (i.e., move them from on base to off base, or vice versa) as specific sites are evaluated.

Comparison of Alternatives and Environmental Impacts

The department has attempted to clarify its policy regarding on-base and off-base lands. Although Alternative 1 most closely resembles the department's current policy, the department's **preferred policy** was selected because it most realistically tracks the status of deferred lands. In the past, the department believed that many deferred lands would later be restored to on-base status for harvest. This has not proven to be the case; once deferred, many of these properties often remain off base.

Thus, the department's **preferred policy** attempts to anticipate future trends as much as possible. If the forest land is not or will likely not be available for harvest, it is removed from the base. Deferrals, when identified, will also be removed from the base for the length of the deferral period (typically 10 years, the planning period). Under the **preferred policy**, the department will avoid making investments in those properties that are marginal or are not likely to be harvested.

Alternative 1, in contrast, adopts a "wait and see" approach. Only when impacted would forest land be removed from the base. Deferrals would be kept on base until they were actually withdrawn for a specific reason. Under Alternative 1, the harvest calculations would not be affected by making difficult predictions on land changes and timber resources until they actually happen. The department could therefore maintain a higher harvest level (and income stream) in the short run.

By considering most deferrals to be in the harvest base, the department would be able to cut available, on-base properties at a higher rate than it would if the deferrals were removed. (The larger the harvest base, the more timber there is from which to calculate sustainable harvest levels.)

Alternative 1 is within the definition of the sustained yield (as defined by state statute), but it creates potential management problems for the department. If the deferred land is in fact not harvestable at the end of the deferral period, the department would face a sudden drop in the amount of available timber. The environmental impacts of this alternative are therefore more detrimental than other options under consideration. There is a greater probability that the department would unintentionally overcut its on base lands and deviate from sustainable, even flow harvests.

The department intends to avoid these fluctuations by maintaining a sustainable, even-flow harvest. Under the **preferred policy**, the department assumes that the land available for timber harvest is the true timber land base; it intends to manage this base vigorously to produce a steady flow of income for the trusts.

Alternative 2, the no-policy option, would allow the department to include deferrals in the current harvest base and make an ad hoc decision whether it should remove those deferrals from the base or not. Decisions would therefore rest with division or regional managers; there would not be a consistent statewide policy on deferrals. The environmental impacts could therefore be similar to Alternative 1.

With the **preferred policy**, the department retains the authority to defer certain lands and remove them from the commercial base of harvest timber. By doing so, the department will defer certain lands from timber harvest for the 10-year planning period (and possibly longer). In contrast, the other alternatives would not have a consistent policy toward deferrals, which in turn could lead to greater fluctuations in timber harvest and resulting environmental impacts.